

CHAPTER NO. 164

SENATE BILL NO. 1622

By Clabough, Fowler, Dixon

Substituted for: House Bill No. 1513

By McKee, Patton, Hagood, Clem, Vincent, Sharp, Overbey, Sargent, Ford, Hargett, Beavers, Todd, Kent, Black, Rowland, Johnson, Baird, Dunn, Roach, Walker, Montgomery, Wood, David Davis, Buttry, Scroggs

AN ACT To amend Tennessee Code Annotated, Section 56-26-204, relative to pooling of liabilities of certain non-profit business coalitions to qualify as self-insurers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-26-204(a), is amended by designating the present subsection as subsection (a)(1), and by adding the following language to be designated as subsection (a)(2):

(2) Ten (10) or more employers of the same non-profit business coalition for health, organized in Tennessee, may enter into an agreement with the coalition to pool their liabilities under this chapter for the purpose of qualifying as self-insurers. The business coalition shall:

(A) Have a charter or bylaws;

(B) Have members that support the organization by regular payment of dues on an annual, semi-annual, quarterly or monthly basis; and

(C) Be created in good faith for a purpose other than that of creating accident and sickness self-insurer pools; and

(D) Otherwise comply with the requirements of a "bona fide association" as defined in Tennessee Code Annotated, Section 56-7-2802(3).

A non-profit business coalition for health shall not qualify as a self-insurer under the provisions of this subdivision until the Department of Commerce and Insurance has promulgated the rules authorized by §56-26-204(b).

SECTION 2. Nothing in subsection (a)(2) of Section 1 of this act shall allow such coalitions to pool their liabilities for the purposes of qualifying as self insurers for dental or workers' compensation insurance.


SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 26, 2001

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 3<sup>d</sup> day of May 2001

  
DON S. QUIGLEY, GOVERNOR